

MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF ELGIN AND
ELGIN 2010 COMMITTEE REGARDING THE HUNAHA PARK PROJECT

The City of Elgin (City) and Elgin 2010 Committee (2010) have a mutual interest in the development of the Hunaha Park Project (Project). This Memorandum of Understanding (MOU) outlines the responsibilities of each party in the development of the project. This MOU covers activities of project planning, grants, project management, and project implementation.

1. Relationship of Parties - City has recognized 2010 as its Economic Development Planning Committee. This relationship places 2010 in the position of being responsible for economic development planning and project development activities as a partner with the city. City has adopted the Elgin 2010 Strategic Plan as its economic development planning document. City and 2010 have also agreed that Kevin Cooper is the City/2010 Liaison. Elgin 2010 is currently in the process of completing conceptual design for Project. City has agreed that it will own and operate park based on the study completed demonstrating that it will generate adequate revenues to be financially self sustaining.

2. Confirmation and Clarification of Responsibilities - Because City and 2010 are partners in this project, and because the project is moving forward from the conceptual and planning stage into the implementation stage, both parties have an interest in confirming the responsibilities each has in the project. The purpose of this MOU is to clarify these responsibilities.

3. Functions of Parties - The Elgin 2010 Strategic Plan includes the Project. The property of the Project site is owned by City. City has conducted several studies on said site funded by grants written by 2010 with City as applicant and fiscal agent on the grants with private contractors conducting work. City and 2010 agree this relationship will remain intact with 2010 continuing to provide planning and direction to contractors with City providing administrative and fiscal responsibility with funding. Funding approved from such sources as Regional Strategies, Rural Investment Fund, U.S. Forest Service, Union County, and others is currently approved and/or available and specific performance requirements need to be met cooperatively between Parties to insure that Parties fulfill their respective commitments.

4. Project Manager Responsibilities - A Project Manager will be hired as a contractor who will coordinate environmental assessment, engineering, grant writing, and project management activities on Project. Parties agree that:

- a. 2010 will prepare and facilitate a selection process to hire a Project Manager. Selection process will conform to public bidding requirements and any applicable ordinances of City and any considerations forwarded by City to be included in the process.
- b. City will participate in the selection process by providing information to 2010 on applicable procedures and considerations to be included in the selection process. 2010 shall forward a draft personal services contract to City before a candidate is forwarded to City for consideration. City shall have final authority in awarding said contract and agrees to make such award in consultation with 2010.
- c. City will enter into a personal services contract with Project Manager and will serve as fiscal agent on the contract.
- d. 2010 will oversee activities of Project Manager to insure that Project proceeds in accordance with the Elgin 2010 Strategic Plan and decisions forwarded by City on Project implementation.
- e. Parties agree that any issues arising from contract performance are the primary responsibility of 2010. 2010 acknowledges that City will retain final authority on all issues related to compensation on contract and City agrees to work in good faith with 2010 to resolve any issues that may arise from said contract.

5. Capacity of 2010 to Lead Project - 2010 has and will continue to take a lead role in defining and promoting the project. Elgin 2010 agrees to take responsibility for the outcome of the project activities. City agrees that it will follow the recommendations of 2010 in project specifics. City agrees that any issues raised will be brought to the attention of the City/2010 Liaison. Parties agree to work together in good faith in resolving any issues that may arise.

6. Reporting on Project Activities - 2010 agrees to provide monthly reports to City and other reports as requested on activities. Reports will include milestones reached, funding opportunities, contractor progress, and other details as they arise. City agrees to provide information on status of funds received as needed to Project Manager and City\2010 Liaison.

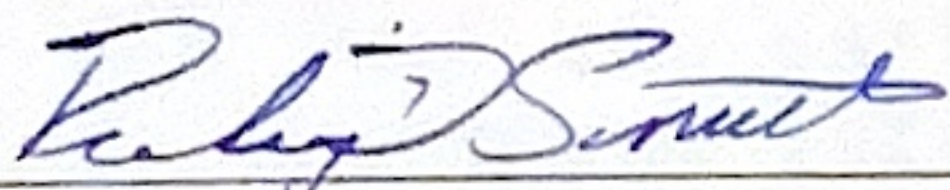
7. Fund Raising - Project Manager will be responsible for locating potential resources and preparing applications with City as the applicant. City agrees to provide information as needed to Project Manager to facilitate the application process. 2010

agrees it is responsible for insuring that all funding proposals are consistent with the scope and purpose of the Project.

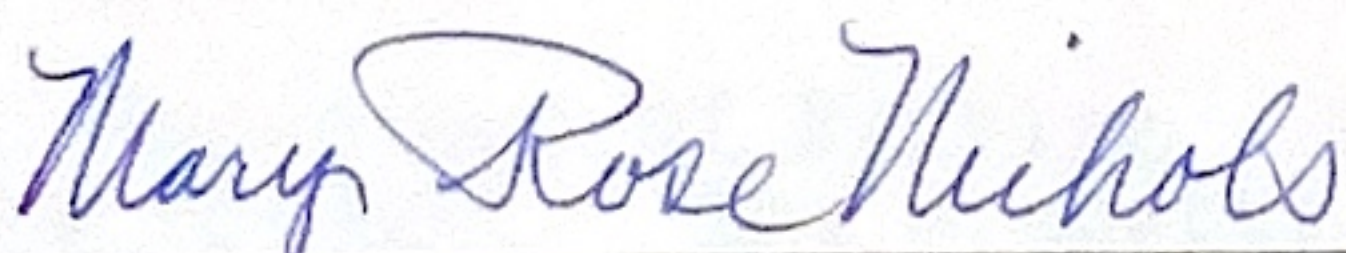
8. Project Implementation - Project scope includes engineering, environmental assessment, permit acquisition, fund raising, construction, and grant management. These components will be implemented as follows:

- a. Environmental assessment, engineering, and permit acquisition shall be completed with existing funding.
- b. Construction fund raising activities will begin when engineering information on construction costs are available.
- c. City will contract for site development services and may delegate day to day construction management duties to Project Manager.
- d. Close out of grants shall be the responsibility of City and 2010 agrees to provide information as needed to facilitate this effort.

Agreed on this 11th day of March, 1997



Rick Smith, Mayor
City of Elgin



Mare Rose Nichols, Chair
Elgin 2010 Committee